

## HOUSE BILL NO. 662

INTRODUCED BY T. DOWELL

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A COUNTY TO ALLOCATE FUNDS FROM A COUNTY LEVY FOR THE SUPPORT OF AIRPORTS OR LANDING FIELDS TO A MUNICIPALITY WITHIN THE COUNTY THAT CONTAINS AN AIRPORT THAT IS PART OF THE NATIONAL PLAN OF INTEGRATED AIRPORT SYSTEMS; AMENDING SECTIONS 67-10-402 AND 67-11-302, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 67-10-402, MCA, is amended to read:

**"67-10-402. Tax levy.** (1) Subject to 15-10-420 and for the purpose of establishing, constructing, equipping, maintaining, and operating airports, landing fields, and ports under the provisions of this chapter and as provided in Title 7, chapter 14, part 11, the county commissioners or the city or town council may each year assess and levy, in addition to the annual levy for general administrative purposes or the all-purpose mill levy authorized by 7-6-4451, a tax on the taxable value of all taxable property in the county, city, or town for airports and landing fields and for ports.

(2) ~~In the event of~~ If there is a jointly established airport, landing field, or port, the county commissioners and the city or town council or councils involved shall determine in advance the levy necessary for those purposes and the proportion that each political subdivision joining in the venture is required to pay.

(3) If the levy is insufficient for the purposes enumerated in subsection (1), the commissioners and councils are authorized and empowered to contract an indebtedness on behalf of the county, city, or town by borrowing money or issuing bonds for those purposes. However, bonds may not be issued until the proposition has been submitted to the qualified electors and approved by a majority vote, except as provided in subsection (4).

(4) For the purpose of establishing a reserve fund to resurface, overlay, or improve existing runways, taxiways, and ramps, the governing bodies may set up annual reserve funds in their annual budget if:

(a) the reserve is approved by the governing bodies during the normal budgeting procedure;

(b) the necessity to resurface or improve runways by overlays or similar methods periodically is based

1 upon competent engineering estimates; and

2 (c) the funds are expended at least within each 10-year period.

3 (5) The reserve fund may not exceed at any time a competent engineering estimate of the cost of  
4 resurfacing or overlaying the existing runways, taxiways, and ramps of any one airport for each fund. The  
5 governing body of the airport or port, if in its judgment it considers it advantageous, may invest the fund in any  
6 interest-bearing deposits in a state or national bank insured by the FDIC or obligations of the United States of  
7 America, either short-term or long-term. Interest earned from the investments must be credited to the operations  
8 and maintenance budget of the airport or port governing body. Due to the uniqueness of the subject matter, the  
9 provisions of this section are declared necessary in the interests of the public health and safety.

10 (6) If a county levies the tax authorized in 67-11-302 or this section and a municipality within the county  
11 contains an airport that is part of the national plan of integrated airport systems, as provided in 49 U.S.C. 47103,  
12 then the county shall allocate the tax collected from that municipality to the municipality. A county that has  
13 pledged the levy for the support of bonds or notes is not required to make the allocation provided for in this  
14 subsection. A municipality that receives revenue pursuant to this subsection shall use the tax revenue allocated  
15 pursuant to this subsection for the airport that is part of the national plan of integrated airport systems."

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17 **Section 2.** Section 67-11-302, MCA, is amended to read:

18 **"67-11-302. County tax levy.** Subject to 15-10-420, in counties supporting airports or airport authorities,  
19 a levy as provided for in 67-10-402 may be made for airport authority purposes. The levy is subject to the  
20 allocation provided for in 67-10-402(6)."

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22 **NEW SECTION. Section 3. Saving clause.** [This act] does not affect rights and duties that matured,  
23 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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25 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 2005.

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27 **NEW SECTION. Section 5. Applicability.** [This act] applies to airport levies made in the tax years  
28 commencing after July 1, 2005.

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